

103 West Main Street
John Day, OR 97845-1092

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Date: August 1, 2006

Our Order No. 18437

SUPPLEMENTAL NO. Three
PRELIMINARY TITLE REPORT FOR INSURANCE

Malheur National Forest Service
Attention: Pam Uebler
431 Patterson Bridge Rd.
John Day, OR 97845

ALTA Owner's Policy Standard

Liability
To Be Determined

Premium

Land Title Company of Grant County, Inc., is prepared to issue on request and on recording of the appropriate documents, a policy or policies of Stewart Title Insurance Company of Oregon, as applied for, with coverages as indicated, based on this preliminary report that as of **November 3, 2005** at 8:00 A.M. the title to the property described is vested in:

UNITED STATES OF AMERICA

Subject only to the exceptions shown herein and to the terms, conditions and stipulations contained in the policy form. No liability is assumed until a full premium has been paid and a policy is issued

LEGAL DESCRIPTION:

FOR LEGAL DESCRIPTION SEE EXHIBIT 'A'

SCHEDULE B

GENERAL EXCEPTIONS

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or other facts which a correct survey would disclose.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

SPECIAL EXCEPTIONS

6. Unpatented mining claims, if any.
7. Taxes, including the current fiscal year, not assessed due to ownership by a governmental entity. If the exempt status is terminated, an additional tax may be levied.
Account No's. : 3-1 13-31-23CC 500; Ref. 8783, 3-1 13-31-26BA 11500; Ref. 8801, 4-1 13-33-11CA 501,502, 503; Refs. 8924, 39568, 39569
8. City liens, if any. We have requested a search and will advise when we have received a response from the City of John Day, Oregon. (Tracts I and II)
9. City liens, if any. We have requested a search and will advise when we have received a response from the City of Prairie City, Oregon. (Tract III)
10. Reservations, including the terms and provisions thereof, contained in the Plat of Prairie City Land Company's First Addition to the Town of Prairie City, Grant County, Oregon:
Recorded : April 26, 1900
Book : Q
Page : 580
to-wit: "That the Prairie City Land Company does hereby declare this plat of its first Addition to Prairie City, Grant County, Oregon, and does hereby dedicate to the use of the public forever, for the purpose of travel, all of the avenues, streets, alleys and highways thereon, excepting such parts as are reserved, and excepting all minerals therein contained and reserving the exclusive right to lay railways therein and propel cars thereon by steam or other motive power, to lay pipes, water mains, conduits and wires therein, to erect poles and extend wires and cables thereon for the purpose of conducting electricity for telephoning, telegraphing, and electric lights, all lots, blocks, avenues, alleys and highways embraced within red line on this plat and marked "reserved" are excepted from this dedication. (Tract III)

11. Easement for utilities over and across the premises formerly included within the boundaries of the alley, now vacated by Ordinance No. 234 of the City of Prairie City, recorded January 27, 1955 in Deed Book 92, page 169, if any such exist. (Tract III)

12. Rights of the public in and to any portion of the herein described premises lying within the boundaries of streets, roads or highways.

13. Easement, including the terms and provisions thereof:

For	: the construction and maintenance of transmission lines and poles, together with all appurtenances thereto as more particularly described therein
Granted to	: California Pacific Utilities Company
Recorded	: December 16, 1947
Book	: 52
Page	: 514
Affects	: Tract II

NOTE: A judgment search should be ordered when the buyers' names are known.

INFORMATION: The apparent property addresses are:

Tract I
309 NW 5th St., John Day OR 97845

Tract II
117 Lamford St., John Day OR 97845

Tract III
935 Overholt St., 945 Overholt St., 118 12th St., Prairie City OR 97869

EXHIBIT "A"

TRACT I:

Lot 121 of the Beswick Addition to the City of John Day, Grant County, Oregon, according to the plat thereof filed for record in the office of the clerk of said county and state on July 1, 1953, in Book 2 of Town plats, at page 15.

(Tax Acct. 3-1 13-31-23CC 500; Ref. 8783)

TRACT II:

Township 13 South, Range 31 East of the Willamette Meridian, Grant County, Oregon:

Section 26: A tract of land in the NE1/4NW1/4 and being a portion of Block "J" of the City of John Day, Grant County, Oregon described as follows:

Commencing at the Northeast corner of the Lamford Lumber Co. tract, said point being 976.0 feet South and 1153.0 feet West of the North quarter corner said Section 26;

thence S61°24'E, along the Northeasterly line of said tract, a distance of 142.5 feet;

thence S51°49'W, a distance of 233.2 feet to the Southwesterly line of said tract;

thence N32°43'W, along said Southwesterly line a distance of 109.6 feet to the Northwest corner of said tract;

thence N44°19'E, along the Northwesterly line of said tract a distance of 168.0 feet to the point of beginning.

ALSO; An easement in common for a roadway 20.0 feet in width, 10.0 feet on each side of the centerline described as follows:

Commencing at a point on the West boundary line of Brent Drive in the City of John Day, Grant County, Oregon, said point being 1540.1 feet South and 813.4 feet West of the North quarter corner of said Section 26;

thence N87°45'W, a distance of 70.0 feet;

thence N16°16'W, a distance of 53.5 feet;

thence N2°18'E, a distance of 214.7 feet;

thence N31°16'W, a distance of 113.5 feet;

thence S51°49'W, a distance of 100.0 feet;

thence N46°07'W, a distance of 141.7 feet to the North line of Les Meyer's Lot and the terminus of said centerline.

(Tax Acct. 3-1 13-31-26BA 11500; Ref. 8801)

TRACT III:

Lots 17, 18, 19, of the Replat of Lots 4 through 14 and the South ½ of Lots 3 and 15, and that portion of the alley vacated by Ordinance No. 234 of the City of Prairie City, recorded January 27, 1955 in Deed Book 92, page 169, that inured thereto, all in Block 58 of Prairie City Land Co's. First Addition to the City of Prairie City, Grant County, Oregon, according to the plat thereof filed for record in the office of the clerk of said county and state January 25, 2005.

(Tax Accts. 4-1 13-33-11CA 501, 502, 503; Refs. 8924, 35968, 39569)